GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:295
ANSWERED ON:12.08.2005
REVIVAL OF CO-OPERATIVE BANKS
Tripathi Shri Chandramani

Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has called a meeting of the Chief Ministers of the various States for revival and revitalization of co operative banks ;

(b) if so, the details thereof and the outcome thereof ;

(c) whether the State Governments have given their consents for revival package of co-operative banks; and

(d) if so, the details thereon ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (d) : A Statement is laid on the Table of the House.

Statement referred to Parts (a) to (d) of Lok Saibha Starred Question No. 295 to be answered on 12th August, 2005 regarding Revival of Co-operative Banks, tabled by Shri Chandra Mani Tripathi & Dr.Larcmmarayan Pandey.

(a) & (b) : The report of the Task Force set up under the Chairmanship of Prof. A. Vaidyanathan on the revival of Short-Term Co-operative Credit Structure was discussed with the Chief Ministers and Lt. Governors in the meeting of the National Development Council on 28.06.2005. A further meeting with Chief Ministers and Lt. Governors has been proposed in September, 2005.

(c) & (d) : So far, comments on the recommendations of the Task Force have been received from 15 State Governments. There is a consensus among these State Governments for revitalizing the Cooperative Credit Structure and the recommendation relating to application of prudential norms including Capital to Risk-weighted Assets Ratio(CRAR) among all tiers of Cooperative Banks. However, there is a mixed response on some recommendations, especially the ones relating to :-

(i) Criteria for determining Cooperative Credit Structure (CCS) units to be eligible under the Rehabilitation Package,

(ii) Sharing pattern of Revitalisation Package amongst Government of India, State Governments and Cooperative Credit Structure,

(iii) The voluntary nature of the Rehabilitation Package and it being linked to enactment of legal and institutional reforms by the participating State Governments.